

FISCAL NOTE

SB 3598

February 29, 2008

SUMMARY OF BILL: Prohibits state and local governments from purchasing goods or services from a vendor who is adjudicated to have charged any citizen of Tennessee a usurious interest rate or time price differential.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$111,200/One-Time
\$123,800/Recurring**

Increase Local Expenditures* – Exceeds \$100,000

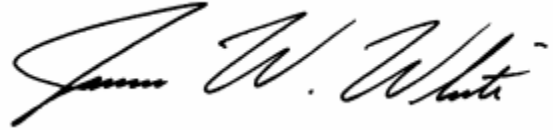
Assumptions:

- The provisions of the bill would apply to service contracts monitored by the Department of Finance and Administration (F&A).
- A one-time increase in state expenditures estimated to be \$100,000 for computer systems changes required by F&A.
- A recurring increase in state expenditures of \$123,800 for two new positions at F&A to handle the increased workload in the contract services office. Such increase is for salary (\$84,000), benefits (\$28,600), printing (\$600), office space (\$5,400), phones (\$1,200), office supplies (\$600), network connections (\$2,400), and annual contributions to the equipment replacement fund (\$1,000). One-time costs for office landscaping (\$7,200) and PC's (\$4,000) are estimated to be \$11,200.
- Local governments will be required to make systems changes and larger local governments may need additional personnel to provide the increased vendor screening required by the bill. Such increase is estimated to exceed \$100,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/cce